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China Water Industry Group Limited 中國水業集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1129)

COMPLETION OF PLACING OF EXISTING SHARES PLACING AGENT



DBS ASIA CAPITAL LIMITED

The Board is pleased to announce that the Placing in respect of 300,000,000 Placing Shares was completed on 29 March 2007. The 300,000,000 Placing Shares were placed to more than six placees who are third parties independent of and not connected persons of the Company or any of its associates and are not or will not be acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the Vendors, the Company or its subsidiaries (as defined under the Listing Rules).

Accordingly, the Vendors will subscribe for 300,000,000 New Shares pursuant to the Subscription Agreement. Completion of the Subscription is still conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in all of the New Shares. Completion of the Subscription is expected to take place on or before 4 April 2007.

Reference is made to the announcement of China Water Industry Group Limited (the "Company") dated 26 March 2007 (the "Announcement"). Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcement.

PLACING COMPLETION

The Board is pleased to announce that the Placing in respect of 300,000,000 Placing Shares was completed on 29 March 2007. The 300,000,000 Placing Shares were placed to more than six placees, who are third parties independent of and not connected persons of the Company or any of its associates and are not or will not be acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the Vendors, the Company or its subsidiaries (as defined under the Listing Rules).

SUBSCRIPTION

The Vendors will subscribe for 300,000,000 New Shares pursuant to the Subscription Agreement. Completion of the Subscription is still conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in all of the New Shares. Completion of the Subscription is expected to take place on or before 4 April 2007.

SHAREHOLDING STRUCTURE

Assuming the placees do not hold any Shares immediately before the completion of the Placing and there is no other change in the shareholding of the Company after the date of the Announcement, to the best of the Directors' knowledge and based on publicly available information including various filings made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the shareholding structure of the Company immediately after completion of the Placing, but before completion of the Subscription and immediately after completion of the Placing and the Subscription are as follows:

Name of Shareholder	Shareholding as at the date of this announcement (being immediately after completion of the Placing but before completion of the Subscription)	%	Shareholding immediately after completion of the Placing and the Subscription	%
Favor Jumbo Investments Limited (Note 1)	150,000	0.01	130,150,000	7.03
Sure Ability Limited (Note 2)	55,000,000	3.55	55,000,000	2.97
Wang Chia Chin * and his associate (Note 3)	16,588,000	1.07	16,588,000	0.90
Sub-total:	71,738,000	4.63	201,738,000	10.90
<i>Public Shareholders</i>				
Boost Skill Investments Limited (Note 4)	10,000,000	0.65	180,000,000	9.73
Placees	300,000,000	19.35	300,000,000	16.22
Other Shareholders	1,168,360,000	75.37	1,168,360,000	63.15
Sub-total:	1,478,360,000	95.37	1,648,360,000	89.10
Total:	1,550,098,000	100.00	1,850,098,000	100.00

* a Director

Notes:

1. A company beneficially wholly-owned by Mr. Wang Xiao Bo, an executive Director.
2. A company beneficially wholly-owned by Mr. Sze Chun Ning, an executive Director.
3. An executive Director.
4. A company beneficially wholly-owned by Mr. Liu Peng Cheng who does not have any role in the Group.

By Order Of The Board
Chu Yin Yin, Georgiana
Executive Director

Hong Kong, 29 March 2007

* for identification purpose only

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Chia Chin, Mr. Sze Chun Ning, Vincent, Mr. Shi De Mao, Ms. Chu Yin Yin, Georgiana, Mr. Zhong Wen Sheng, Mr. Wang Xiao Bo and Mr. Liu Bai Yue, all being the executive directors, Mr. Huang Yuan Wen and Mr. Pan Shi Ying, all being the non-executive directors and Mr. Chang Kin Man, Mr. Wu Tak Lung and Mr. Gu Wen Xuan, all being the independent non-executive directors.